AUCTION DATES

Chrysler Motors

April 26 — American Auto Auction, Walpole, Mass.; Golden Gate Auto Auction, Fremont, Calif.; and Hatfield Auto Auction, Hatfield, Pa.

April 27 — Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; Minneapolis Auto Auction, Plymouth, Minn.; and Denver Auto Auction, Aurora, Colo.

April 28 — Clanton's Auto Auction, Darlington, S.C.; Ark-La-Tek Auto Auction, Shreveport, La.; Northway Exchange, Clifton Park, N.Y.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Southwest Auto Auction, Phoenix, Ariz.

April 29 — Manheim Auto Auction, Manheim, Calif.

Ford Motor Co.

April 26 — Harrisonburg Auto Auction Harrisonburg, Va., and Bay Cities Auto Auction Inc., Hayward, Calif.

April 27 — Indianapolis Auto Auction, Indianapolis; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; Lakeland Auto Auction, Lakeland, Fla.; and Newburgh Auto Auction Inc., Newburgh, N.Y.

Used Car Sales
Auction Averages

April 1988	$5,712
Month ago	$5,255
Year ago	$5,823

April 28 — Greater Houston Auto Auction, Houston

General Motors

April 26 — Southern Auto Auction, East Windsor, Conn.; Dallas Auto Auction, Grand Prairie, Texas; and South Seattle Auto Auction, Kent, Wash.

April 27 — Atlanta Auto Auction, Atlanta; Clanton's Auto Auction, Darlington, S.C.; Indianapolis Auto Auction, Indianapolis; Southern California Auto Auction, Fontana, Calif.; and Omaha Auto Auction, Omaha, Neb.

April 28 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; and St. Louis Auto Auction, Bridgeton, Mo.

Model Breakdown
Auction Averages

	APR 1988	MAR 1988	FEB 1988
1988	$12,498	$12,283	$10,741
1987	$8,691	$8,682	$8,443
1986	$7,214	$6,927	$6,732
1985	$5,915	$5,837	$5,731
1984	$4,425	$4,380	$4,363
1983	$3,807	$3,765	$3,689
1982	$2,374	$2,534	$2,454
1981	$1,947	$1,906	$1,817
Overall Average	$5,712	$5,589	$5,309

Auction fees earmarked for charity

Metro Auto Auctions of Kansas City, Mo., will donate proceeds from its annual Marathon IV sale to the National Independent Automobile Dealers Association and the Missouri Independent Automobile Dealers Association, which will donate the money to a national charity.

Metro's Marathon IV sale will start at 10 a.m. May 24. The consignment fee of $20 per vehicle will be donated to the charity. The goal is 2,000 consignments.

New Jersey's Skyline group adds Houston auction, looks for more

Texas Dealer Auction in Houston has been sold to New Jersey-based Skyline Auction Group for an undisclosed amount.

The auction has four lanes with a consignment of about 700 vehicles per month.

The group also owns Skyline Auto Auction in Fairfield, N.J., and Gulf Coast Auto Auction in Bradenton, Fla. The company bought Gulf Coast Auto auction last August.

Leonard P. Nedlin, president of the Skyline Auction Group, said he is on the acquisition trail but doesn't know how many auctions the company eventually will own.

"We are negotiating to buy other auctions," he said. "We will get as big as we are comfortable being."

The company is also on the prowl for personnel, including a chief executive officer, general operating managers, fleet managers and lease managers.

Canadian growth

Canadian auction owner Michael B. Lawrence has opened a seventh auction sale. It is located in Mississauga, Ontario.

AUCTION BRIEFS

CHARLES THOMAS

The Ontario Auto Auction (Toronto) Inc. officially opened March 3, selling 55 percent of a 480-vehicle consignment.

The new sale is dealer-only and is conducted every Thursday beginning at 10 a.m. at the company's full-service facility.

The sale is part of a network of auctions jointly owned by Lawrence and others.

The network handles about 450,000 vehicles annually in Canada at an estimated value of $2.25 billion (Canadian).

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PENNSYLVANIA

Carriage Trade, Norristown, Pa. Every Mon. & Thurs., 6 PM (400 units), except 3rd Thurs. when GMAC auction (off lease/repos) at 11 AM. All dealers. Call: 215-CAR-SALE.

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SOUTH CAROLINA

Rawls Auto Auction — Since 1938. Pickup, delivery unlimited. Recon facilities. Sale every Tues., 11 A.M. 803-657-5111 or 657-7244, Leesville, South Carolina.

SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd, Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

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TEXAS

Fort Worth Auto Auction, 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

San Antonio Auto Auction (div. of GECAA), 1500 Ackerman Rd., San Antonio, Texas 78219. Sale every Weds. Contact: Frank Post or Michael Milikien, 512-661-4200.

WASHINGTON

So. Seattle Auto Auction. The lease & Fleet Specialists. Tom Chase, 1-800-872-6800. P.O. Box 5189, Kent, Washington 98064.

WISCONSIN

Metro Milwaukee Auto Auction. Sale every Wednesday. FMC, GMAC, all leasing. 414-835-4436, Caledonia, Wisconsin.

Auction advertising builds auction traffic.

PRODUCTION

Truck output stays high after record

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

U.S. truckmakers scheduled output of 92,418 units last week, slightly below (0.87 percent) the prior week's 93,226.

The previous week's build was the highest for any week ever, topping the prior record of 88,469 set the week ended March 26, 1988.

Year-to-date, 1,341,445 trucks have been assembled, 12.04 percent more than the 1,197,340 completed last year at this point.

Last week's scheduled auto production totaled 162,504, 1.56 percent below the previous week's 165,073 but 17.00 percent more than the year-ago week's 138,895.

The year-ago week's output was affected by the Easter holiday.

So far this year, 2,173,211 cars have been built, 13.08 percent below the 2,500,243 assembled last year at this time.

Companies split last week's estimated production as follows: General Motors, 49.82 percent; Ford Motor Co., 25.60 percent; Chrysler Motors, 14.95 percent; Honda of America Manufacturing Inc., 4.62 percent; New United Motor Manufacturing Inc., 2.00 percent; Nissan Motor Manufacturing Co. U.S.A., 1.61 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 1.40 percent.

Volkswagen of America's Westmoreland, Pa., plant remains idle for model changeover until May 9.

As reported earlier, GM closed its Leeds, Mo., plant and discontinued the Firenza line on April 15, idling approximately 1,700 workers.

GM slated overtime last Saturday at its Buick City car plant in Flint, Mich.

Overtime was also scheduled last Saturday at three GM truck plants: Lordstown, Ohio; Fort Wayne, Ind.; and Moraine, Ohio.

Ford slated overtime last Saturday at its Wixom, Mich.; Edison, N.J.; Wayne, Mich.; Kansas City, Mo.; and Norfolk, Va., plants.

Daily overtime is scheduled this week at all Ford plants except the Edison, N.J., facility.

Canada slates best week ever: 27,020 cars

Canadian automakers scheduled production of 27,020 units last week, their highest weekly output ever. The total surpassed the previous peak of 26,733 for the week ended Dec. 14, 1985.

Last week's targeted build was 14.33 percent more than the previous week's 23,634, and 54.12 percent more than the year-ago week's 17,532.

So far this year, 365,360 cars have been built, 34.78 percent more than the 271,076 completed last year at this point.

Truck output was slated at 20,530 units last week, 1.84 percent more than the prior week's 20,159, and 12.08 percent more than the year-ago week's 18,317.

Year-to-date, 306,053 trucks have been built, 18.23 percent more than the 258,864 assembled last year at this time.

U.S. CAR	Week Ended April 23, 1988	Week Ended April 25, 1987	Week Ended April 18, 1988	April to Date	Jan. 1 to April 23, 1988	Jan. 1 to April 25, 1987
Alliance	0	608	0	0	0	10,627
Total Eagle	0	608	0	0	0	10,627
Horizon	2,100	0	2,244	6,719	28,436	32,997
Sundance	2,100	1,926	2,581	6,903	34,316	35,537
Reliant	2,400	1,808	2,618	7,391	29,471	40,377
Caravelle	400	776	482	1,339	6,335	18,662
Gran Fury	200	118	454	935	3,717	559
Total Plymouth	7,200	4,628	8,379	23,287	102,275	128,132
LeBaron K	500	1,305	518	1,535	5,637	28,505
LeBaron J	1,900	3,294	1,926	5,715	19,688	31,188
LeBaron GTS	100	890	156	402	2,681	13,516
N. Yorker E-Class	0	1,563	0	0	0	28,768
N. Yorker C-Class	2,700	0	2,532	7,754	35,656	0
Fifth Avenue	300	1,179	350	958	12,124	8,918
Total Chrysler	5,500	8,231	5,482	16,364	74,086	110,895
Omni	2,100	0	2,476	6,931	28,279	28,363
Daytona	1,800	1,260	1,914	5,539	18,747	15,455
Shadow	2,200	2,114	2,222	6,480	34,398	33,290
Aries	2,100	1,648	2,082	6,351	24,501	35,523
Dodge 600	500	748	493	1,458	5,605	16,506
Dynasty	2,200	0	2,087	6,465	35,378	0
Lancer	200	386	243	684	3,558	8,850
Diplomat	500	163	553	1,754	7,349	872
Total Dodge	11,600	6,319	12,070	35,664	157,815	138,859
CHRYSLER MOTORS	24,300	19,786	25,931	75,315	334,176	388,513
Escort	8,997	5,667	7,733	23,878	107,851	117,109
Mustang	4,167	4,309	4,055	12,179	68,907	70,759
Tempo	3,945	3,246	4,676	12,425	64,008	62,805
Taurus	8,849	7,122	8,863	26,029	126,515	148,798
Thunderbird	3,376	3,116	3,455	10,157	51,490	48,821
Total Ford Div.	29,334	23,460	28,782	84,668	418,771	448,292
Lynx	0	523	0	0	0	17,494
Topaz	1,576	1,162	1,721	4,698	24,527	19,139
Cougar	2,251	2,109	2,315	6,772	38,345	54,752
Sable	3,550	2,201	3,552	10,403	42,307	46,694
Total Mercury	7,377	5,995	7,588	21,873	105,179	138,079
Continental	1,086	327	933	3,059	14,280	5,870
Mark VII	548	488	467	1,542	8,241	8,789
Lincoln	3,260	2,450	2,800	9,197	47,022	43,975
Total Lincoln	4,894	3,265	4,200	13,798	69,543	58,634
Total L-M Division	12,271	9,260	11,788	35,671	174,722	196,713
FORD MOTOR CO.	41,605	32,720	40,570	120,339	593,493	645,005
Skyhawk	186	587	998	2,236	11,207	13,762
Skylark/Somerset	1,810	1,513	1,824	4,214	10,175	25,813
Century	3,045	4,062	3,602	10,086	27,432	62,127
Regal (rwd)	0	886	0	0	0	14,042
Riviera	128	200	151	420	2,201	6,077
Electra	2,263	2,066	2,262	6,980	24,351	34,569
LeSabre (fwd)	3,375	2,092	2,805	9,353	41,151	37,009
LeSabre (rwd)	315	244	371	942	2,743	4,350
Reatta	172	0	151	444	1,470	0
Total Buick	11,294	11,650	12,164	34,675	120,730	197,749
Cimmaron	120	58	121	354	3,386	5,668
Eldorado	1,006	365	1,174	3,300	12,134	5,403
Seville	601	328	711	1,975	7,796	8,121
Brougham (rwd)*	1,121	890	1,121	3,587	10,940	26,687
DeVille (fwd)	3,540	3,212	3,512	10,509	59,921	56,962
Allante	65	81	65	192	800	935
Total Cadillac	6,453	4,934	6,704	19,918	94,977	103,776
Cavalier	7,153	6,957	7,134	21,031	107,003	117,579
Camaro	2,430	2,667	2,342	7,042	23,687	33,624
Celebrity	3,975	6,073	3,540	10,877	50,097	113,344
Corsica/Beretta	6,960	5,307	6,973	26,561	126,239	84,917
Monte Carlo	0	1,400	0	0	0	23,029
Caprice	3,825	4,413	3,987	11,630	61,324	72,815
Corvette	440	511	446	1,315	6,805	9,721
Total Chevrolet	26,783	27,328	26,422	78,457	375,155	458,029
Calais	2,990	2,255	3,065	7,554	33,457	36,394
Firenza	64	535	366	825	5,177	3,396
Cutlass Ciera	0	2,943	0	0	0	58,316
Cutlass Supreme*	9,137	2,689	9,137	29,238	68,484	21,454
Toronado	405	373	477	1,344	5,572	5,313
88 (fwd)	3,371	3,609	3,774	10,486	50,442	70,336
88 (rwd)	330	362	324	955	4,242	6,109
Olds 98	1,595	983	1,578	4,776	27,524	27,395
Total Oldsmobile	17,892	13,749	18,720	55,179	194,898	232,313
Sunbird	2,287	1,799	2,062	6,560	33,687	36,665
Grand Am	5,400	5,027	5,315	14,998	75,725	81,849
Firebird	1,690	1,661	1,672	5,035	18,653	26,365
Grand Prix	3,235	0	3,364	9,827	33,005	0
Pontiac 6000	2,425	2,067	2,589	7,733	23,278	27,533
Bonneville	2,648	2,587	3,027	8,036	31,802	47,390
Safari/Parisienne	245	261	272	769	2,572	4,324
Fiero	610	926	492	1,704	6,379	11,806
Total Pontiac	18,540	14,328	18,793	54,663	224,901	237,972
GENERAL MOTORS	80,962	71,989	82,803	242,892	1,010,661	1,229,839
HONDA	7,500	6,605	7,882	24,461	116,126	105,738
Civic	2,090	1,603	1,996	6,575	29,302	33,929
Accord	5,410	5,002	5,884	17,886	86,824	71,809
MAZDA†	2,277	0	1,995	6,619	22,668	0
NISSAN	2,610	2,965	2,574	7,919	27,796	44,534
NUMMI	3,250	3,250	3,318	9,755	51,005	60,667
Corolla	1,200	649	1,227	3,641	18,813	12,410
Nova	2,050	2,601	2,091	6,114	32,192	48,257
VOLKSWAGEN	0	1,580	0	258	17,284	25,497
Golf/GTI	0	1,330	0	189	11,731	21,497
Jetta	0	250	0	69	5,553	4,450
Total Cars, U.S.	162,504	138,895	165,073	487,559	2,173,211	2,500,243
Total Cars, Canada	27,020	17,532	23,634	81,588	365,360	271,076
U.S., Canada Cars	189,524	156,427	188,707	569,147	2,538,571	2,771,319
U.S., Canada Cars and Trucks	302,472	240,824	302,092	906,879	4,186,069	4,227,523

Monthly estimates may contain error of one or two units due to rounding.
*—Estimate. †—Total includes the MX-6 and Ford Probe.

CANADIAN CAR	Week Ended April 23, 1988	Week Ended April 25, 1987	Week Ended April 18, 1988	April to Date	Jan. 1 to April 23, 1988	Jan. 1 to April 25, 1987
Eagle	0	—	0	0	0	—
Premier	1,650	—	1,650	5,250	22,531	—
CHRYSLER MOTORS	1,650	88	1,650	5,250	22,531	2,211
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,292	—	4,347	13,670	66,513	—
Topaz	1,348	—	1,353	4,287	21,942	—
Crown Victoria	2,831	—	2,752	8,977	44,825	—
Grand Marquis	2,909	—	2,820	9,091	44,146	—
FORD MOTOR CO.	11,380	11,527	11,272	36,025	177,426	170,684
Celebrity	335	—	342	1,083	5,697	—
Cutlass Ciera	7,225	—	5,123	20,863	79,722	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	1,400	—	863	3,820	15,548	—
Regal	4,000	—	3,534	11,785	52,248	—
GENERAL MOTORS	12,960	5,439	9,862	37,550	153,215	92,260
HONDA	890	253	706	2,296	10,212	2,591
VOLVO	140	225	144	467	1,976	3,330
Total Cars, Canada	27,020	17,532	23,634	81,588	365,360	271,076

U.S. TRUCK☆	Week Ended April 23, 1988	Week Ended April 25, 1987	Week Ended April 16, 1988	April to Date	Jan. 1 to April 23, 1988	Jan. 1 to April 25, 1987
Caravan	1,900	—	2,245	6,372	31,803	—
Dakota	2,800	—	2,826	8,359	38,680	—
Mini-Ram Van	300	—	408	1,104	5,010	—
Pickups	1,200	—	1,378	3,901	18,881	—
Total Dodge	6,200	3,889	6,857	19,737	94,374	77,871
Cherokee	3,100	—	3,813	10,542	55,955	—
Comanche	900	—	1,037	2,969	15,378	—
Grand Wagoneer	300	—	350	986	4,515	—
Pickups	4,300	—	5,200	9,500	9,500	—
Wagoneer	150	—	287	711	4,078	—
Total Jeep	8,750	3,595	10,687	24,706	89,426	70,029
Voyager	1,700	—	2,011	5,575	29,258	—
Total Plymouth	1,700	—	2,011	5,575	29,258	—
CHRYSLER MOTORS	16,650	7,484	19,555	50,021	213,058	147,900
Aerostar	4,512	—	4,308	13,075	71,407	—
Bronco	1,269	—	1,245	3,716	19,644	—
Bronco II	2,476	—	2,513	7,539	46,085	—
Econoline	5,144	—	5,104	15,241	80,151	—
Heavy trucks	1,736	—	1,339	4,478	21,492	—
Light trucks	11,656	—	10,381	33,239	163,150	—
Ranger	7,914	—	7,874	23,234	116,048	—
Total Ford Div.	34,707	25,693	32,764	100,522	517,987	486,848
FORD MOTOR CO.	34,707	25,693	32,764	100,522	517,987	486,848
Astro	3,253	—	3,922	10,925	55,368	—
Blazer	531	—	643	1,741	8,601	—
Mediums/Heavies	415	—	333	1,069	5,412	—
P-Model	897	—	839	2,580	12,541	—
Pickups	7,497	—	7,382	22,457	103,750	—
S-10	6,527	—	5,679	19,026	90,335	—
S-10 Blazer	3,677	—	3,954	11,161	49,944	—
Sportsvan/Van	1,929	—	1,685	5,823	24,717	—
Suburban	1,382	—	1,600	4,565	22,674	—
Total Chevrolet	26,108	18,666	26,037	79,348	373,342	357,890
Jimmy	154	—	172	527	2,823	—
Mediums/Heavies	835	—	908	2,659	14,333	—
P-Model	123	—	186	413	1,250	—
Pickups	2,457	—	2,029	6,700	33,468	—
S-15	1,517	—	1,550	4,052	21,991	—
S-15 Jimmy	970	—	1,189	2,865	12,819	—
Safari	826	—	986	2,784	14,339	—
Suburban	674	—	850	2,242	11,611	—
Vandura/Rally Vans	1,047	—	719	2,369	12,943	—
Total GMC	8,603	8,011	8,589	24,612	125,577	117,829
GENERAL MOTORS	34,711	26,677	34,626	103,960	498,919	475,719
NAVISTAR	1,930	1,662	1,054	5,788	27,807	23,998
NISSAN	1,670	1,814	1,677	5,146	40,224	26,425
AM GENERAL*	450	450	450	1,440	7,110	1,950
MISCELLANEOUS*	2,300	2,300	2,300	7,360	36,340	34,500
Total Trucks, U.S.	92,418	66,080	93,225	274,238	1,341,445	1,197,340

CANADIAN TRUCK	Week Ended April 23, 1988	Week Ended April 25, 1987	Week Ended April 16, 1988	April to Date	Jan. 1 to April 23, 1988	Jan. 1 to April 25, 1987
Caravan	3,048	—	2,992	9,481	47,973	—
Mini-Ram Van	336	—	337	1,057	4,451	—
Ram Wagon	570	—	569	1,805	7,672	—
Ram Van	1,480	—	1,438	4,510	19,248	—
Total Dodge	5,434	8,345	5,336	16,853	79,344	133,889
Voyager	2,760	—	2,741	8,659	44,414	—
Total Plymouth	2,760	—	2,741	8,659	44,414	—
Wrangler	1,018	—	1,071	3,313	16,263	—
Total Jeep	1,018	759	1,071	3,313	16,263	9,974
CHRYSLER MOTORS	9,212	9,104	9,148	28,825	140,021	143,863
FORD MTR (lt. trks)	3,648	3,503	3,648	11,533	57,017	50,015
Light trucks	3,761	—	3,847	11,322	50,432	—
Vans	1,512	—	1,243	4,208	19,278	—
Total Chevrolet	5,273	—	5,090	15,530	69,710	—
Light trucks	1,519	—	1,268	4,507	24,729	—
Vans	633	—	780	2,369	11,103	—
Total GMC	2,152	—	2,048	6,877	35,832	—
GENERAL MOTORS	7,425	5,507	7,138	22,407	105,542	61,972
NAVISTAR	245	203	225	729	3,473	3,014
Total Trks., Canada	20,530	18,317	20,159	63,494	306,053	258,864
U.S., Canada Trks.	112,948	84,397	113,385	337,732	1,647,498	1,456,204

☆—Includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.

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Dealer plays 'good guy' in Ford plan

$250 eases pain after warranty

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

When the rust spots on the trunk of William Hill's 1983 Lincoln Mark VI grew into a four-inch patch last year, the 63-year-old stockbroker was a bit puzzled.

This was Midland, Texas, after all, where body panels normally are immune to the ravages of rust.

Hill, a Lincoln owner since 1964, had never paid attention to Ford's corrosion warranty. And while he knew the problem wasn't his fault, he'd doubted that he'd get a break on his four-year-old car.

Hill's dealer fixed the car at no charge, even though the warranty expired after three years. But what was more unusual was that the dealer was able to extend the goodwill payment on the spot, instead of sending the request through cumbersome company channels.

At the time, Texas was part of a Ford Motor Co. test that gives dealers up to $250 per car to help cover repairs that no longer are covered under warranty. Ford is now rolling out the program across the country. This week, it goes into effect in Cleveland; Philadelphia; Louisville, Ky.; and San Jose, Calif.

By deciding the cases themselves, dealers say they'll take a big step toward making themselves and the company look like good guys in the eyes of customers. In the process, they say, they'll be able to take care of the customer in a hurry.

see FORD, page 66

AUTOMOTIVE NEWS/JOE WILSSENS

Iacocca: Chrysler will continue to use incentives to reach market share objectives

Chrysler slates output hike

Will add 110,000 units in bid to boost market share

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — In a bid to win 15.3 percent of the North American market in 1988, Chrysler Motors announced it will increase third- and fourth-quarter production by 12.6 percent, but acknowledged its strategy of stressing market share gains over profits eroded first-quarter earnings.

Chrysler earnings in the first quarter of 1988 fell 32 percent because of marketing costs and a one-time charge of $93.1 million for previously announced plant closings in the company's Acustar parts-making subsidiary.

Chrysler, with $183.7 million, was the only one of the Big 3 to report a decline in net earnings for the quarter. Ford earned $1.62 billion; General Motors, $1.09 billion. The total for the Big Three was $2.89 billion, up 7.8 percent from last year's $2.68 billion.

Chrysler Corp. Chairman Lee Iacocca last week said the company will continue to use incentives to reach market share objectives and that Chrysler will add 110,000 cars and trucks to its production schedule for the second half of 1988. Chrysler now holds 14.8 percent of the North American car and truck market, Iacocca said.

The increased production means that Chrysler's Kenosha, Wis., assembly plant will be given a three-month stay of execution. Iacocca said the plant, which was expected to close in September, will continue producing Dodge Omni and Plymouth Horizon America models and the Chrysler Fifth Avenue, Dodge Diplomat and Plymouth Gran Fury until the end of 1988.

Omni and Horizon, however, will remain in

see CHRYSLER, page 66

AUTOMAKERS' FIRST QUARTER
(In millions of dollars)

	1988 Sales	1988 Profit	1987 Sales	1987 Profit
Chrysler Corp.	$ 7,710	$ 184	$ 7,670	$ 299
Ford Motor Co.	20,700	1,623	18,100	1,490
General Motors	26,440	1,090	26,100	923
TOTAL	54,850	2,897	51,870	2,682

GM's plan reflects dip in car share

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

General Motors in the future will offer fewer car and truck models built off fewer platforms and will cut its production capacity to reflect its reduced market share.

Facing the possibility that GM may never again sell half the cars in the United States, top company officials told Wall Street analysts in a closed-door briefing in New York that the company will modify its capacity to reflect its present 37-percent share of the U.S. car market, even if that means closing more plants than previously planned.

The announcement was viewed by many as a reversal of GM's previous position that its eroding share of the U.S. car market was a temporary problem that could be solved by propping up its sales through incentives. Its current market share is fractionally better than its 1987 performance, but down four points from 1986 when it had a 41-percent share and a far cry from 1978, when the auto giant held 48 percent of the car market.

GM Chairman Roger Smith told a group gathered at GM's "Teamwork and Technology" exhibit in Chicago last week that the 37-percent car market share was to be used as a planning base and that GM was not limiting itself to that share. Smith said the flexibility in GM's new plants could give the company a 45-percent share of the U.S. car market.

However, top GM officers told analysts in New York that the company will operate its truck plants at capacity, reflecting a 32- to 34-percent share of the U.S. truck market. GM held a 31-percent truck share, including light, medium and heavy-duty trucks, in 1987. This would indicate that GM is planning to increase its truck capacity.

Wall Street analysts — who praised GM for helping to reduce the growing capacity glut of the U.S. auto industry — said the giant automaker must reduce its capacity by 1 million cars by closing as many as five North American assembly plants in addition to the five it has already closed.

GM President Robert C. Stempel said GM wants

see GM, page 67

BOOM TOWN ON THE BORDER

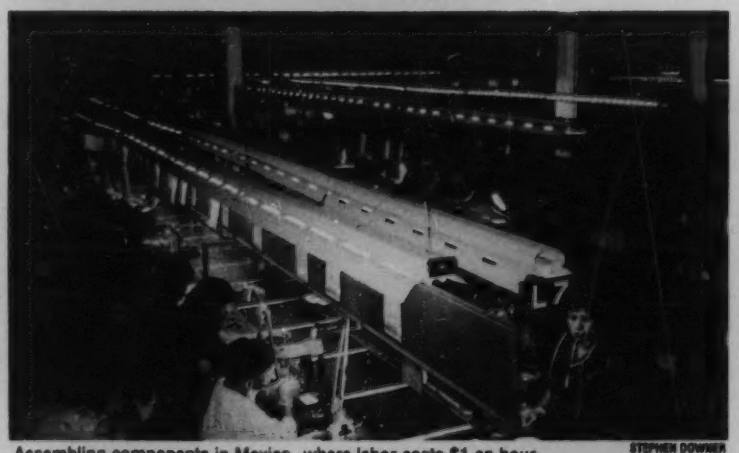
Mexico's low labor costs attract huge parts business

By Stephen Downer
STAFF CORRESPONDENT

CIUDAD JUAREZ, Mexico — This city, located in the northern part of the rugged state of Chihuahua, was once the marketing center of a cotton-growing region.

Today, it is at the heart of the so-called in-bond program — known in Mexico as "maquiladora." It is a bustling city of one million or so, with modern shopping malls and virtually no unemployment.

Every day, millions of dollars worth of materials are shipped to Mexican border towns like this, assembled into automotive components with very low labor cost and re-exported to factories in the United States, including those of General Motors, Ford Motor Co. and Chrysler Motors. The in-bond products must be ex-



STEPHEN DOWNER

Assembling components in Mexico, where labor costs $1 an hour

K-car tumult: Part of pre-pact hype?

By Louise Kertesz
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Despite the muddle over Chrysler's plan to source K-cars in Mexico, there was relief that labor talks were back on track last week. It didn't seem to matter that — as one UAW local official said — "maybe it was all a smokescreen."

With Chrysler Corp. Chairman Lee Iacocca's announcement that K-car production will not be moved to Mexico unless the market warrants, both sides said they are optimistic a settlement can be reached this week.

"Maybe Chrysler wasn't really going to do it (move K-cars to Mexico) or it wasn't that serious, but it sure made all of them look good," one union official said.

"It's all politics, and the average worker gets whipsawed a little, but it's okay if no jobs are lost in the long run."

Both Chrysler's chief bargainer, Vice President Anthony St. John and, later, Iacocca argued that no

see LABOR, page 68

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Dealers slap truck franchise

Arbitration clouds Nissan Diesel pact

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Nissan Diesel, which is planning to expand its truck range, is running into some opposition as it begins signing dealers to new franchise agreements.

The importer of medium-duty trucks began presenting two new franchise agreements to its 160 dealers last week, one replacing the present agreement and the other for a new light-duty vehicle.

In two days last week, the company signed 11 dealers to its new franchise agreements and presented them to 75 others who indicated an interest in signing up, said Rick Bliss, senior vice president of sales.

But some dealers are getting close legal scrutiny of the new contracts' fine print — especially their mandatory binding arbitration clauses — and at least one dealer has refused to sign while seeking his state's ruling on the legality of the contracts.

The contracts require mandatory binding arbitration for dealers in states that do not have any state franchising laws overriding it and also require that such dealers have all their disputes settled in Texas. Nissan Diesel's headquarters is in Irving, Texas.

Bill Ray, owner of Baird-Ray Nissan, Longwood, Fla., said he refused to sign the contract because of these provisions.

"The rest of the agreement reminds you of the late 1940s and early 1950s, it's so damn bad," Ray added.

"The worst thing is that it sets forth a whole list of items under which they can take your franchise away. They even go so far as to say that if you do not follow any of the written policy directives they send you, they can take the franchise," Ray added.

He said the contracts contain a new performance criteria which specify how many trucks a dealer must stock and sell in a given year.

Pat McGowan, the Nissan Diesel attorney who wrote the franchise

see NISSAN, page 67

Solo 2: big brother of the Solo hinted for U.S.

Buick, Olds may sell Solo

Deal could mean Quad 4 for Panther sports car

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — The mid-engine Solo sports car being developed by Panther Car Co. in the United Kingdom may be sold in the United States through selected Buick and Oldsmobile dealers.

A distribution arrangement under consideration by General Motors' Buick-Oldsmobile-Cadillac Group and Panther officials is part of a deal that would include fitting the Solo with Oldsmobile's new multi-valve Quad 4 engine, GM sources said.

The tie-up would also give GM a potentially strategic link with Panther's new South Korean parent, the Ssangyong industrial group.

Panther is supervising Ssangyong's passenger-vehicle engineering as well as developing its own Solo two-place sports car, which is now planned in two versions.

The 150-mph Cosworth-powered Solo 2, which was shown at the Frankfurt auto show last September, is scheduled to be in pilot production later this year. The £28,000 ($52,360) Solo 2 will be equipped with four-wheel drive, anti-lock braking and other high-tech features.

But Panther also is developing a far less expensive, rear-wheel-drive model, dubbed Solo 1, that now seems more likely to go to the United States.

Panther Chairman Young C. Kim said recently that the company's U.S. import plans depend in part on the strength of the British pound. The pound's recent rise in value has complicated plans for U.S. export of the Solo 2. The price is now projected at over $50,000 at the current rate of $1.90 to the pound, compared with $35,000 when planning for the vehicle began.

Solo 1, which is expected to cost about half as much and possibly be produced in Korea, is an alternative for the U.S. market.

Either way, Panther is looking for a U.S. engine supplier because Solo 2's 204-horsepower four-cylinder Cosworth powerplant cannot be economically certified for the United States.

There has been speculation about using Ford of Europe's 2.9-liter V-6, which is being federalized by Panther for the U.S. version of its 1930s-style Kallista roadster.

Kim has declined to talk about U.S. engine prospects for either Solo 1 or 2 models, saying only, "We are looking for an American engine."

But GM insiders say B-O-C may supply the 2.3-liter, 16-valve Quad 4 as part of a distribution package with Panther. The engine is said to be currently under evaluation by Panther engineers.

Panther is expected to need fewer than 100 dealers for the introduction of the Solo in the United States. The company currently has about 25 dealers selling the Kallista roadster in the United States.

U.S. volume projections for Solo depend on the version that is imported. The Solo 2 is pegged for an initial output of about 600 annually at the company's new factory in Harlow, north of London.

Kim said recently that the Solo 1 would be built in significantly higher volume and could be produced by Ssangyong in Korea.

The Solo 1 is expected to debut at the Frankfurt show in September 1989 or possibly at Geneva in March 1990. The small version was originally shown as a prototype at the 1984 Birmingham show. However, when Toyota introduced the MR2 two-seater at a comparable price, Panther shelved the baby Solo in favor of the higher-tech Solo 2.

Ssangyong, South Korea's seventh-largest industrial group, acquired 80 percent of Panther last year after earlier taking over Dong-A Motor, a limited-volume maker of 4x4 sport-utility and specialty vehicles in Korea.

EDS, GM settle differences, sign contracts

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Electronic Data Systems has signed five-year, fixed-price contracts with four more General Motors groups, thereby bringing 65 percent of its GM business under such contracts.

EDS announced last week it has signed contracts with GM's automotive components group, Chevrolet-Pontiac-Canada Group, service parts operations and Delco Electronics. EDS also obtained fixed-price contracts to provide a broad range of information-processing and communications services to both the GM customer sales and service staff and the industrial relations staff.

EDS said the contracts are important because they demonstrate EDS's commitment to GM, adding, "the partnership between EDS and GM is a strong one."

GM recently completed an audit of EDS to determine if its software company had mischarged for services, said Bruce Bredehoft, director of research for Minneapolis-based Sit Investment Associates, an institutional investment firm.

"The divisions had held up the contracts for a year," he said. "EDS passed the audit with flying colors, and now they can settle the contracts and get on with life. The signing of the contracts resolves something that had been ongoing even before Ross Perot left. It removes some of the rough edges between EDS and GM."

A GM spokesman said the corporation audits all of its divisions but he was unaware of any special audit of EDS.

The contracts have been a source of tension between the the parent and subsidiary, and between H. Ross Perot, EDS founder and former GM board member, and GM Chairman Roger B. Smith. When GM acquired EDS in 1984, Perot had insisted on the long-term, fixed-price contracts to strengthen the value of EDS stock — a special class of GM shares traded independently on the New York Stock Exchange as GM E Class .

The Texas billionaire pressed GM for the contracts again when the automaker bought out Perot and several of his longtime executives for about $750 million in December 1986.

An EDS spokesman said the company historically has fixed-price contracts with its customers and there was no reason to change the practice with GM.

EDS had hoped to get 75 percent of its $2.9 billion business with GM under long-term, fixed-price contracts. The latest agreements put 65 percent of its business with GM groups under those contracts. Others include the truck and bus group and General Motors Acceptance Corp.

The Buick-Oldsmobile-Cadillac Group will sign very soon, the EDS spokesman said. "We are very close," he said.

EDS said the reason it is taking so long to sign all the GM contracts is the mountainous workload.

Although sales to GM accounted for more than 75 percent of EDS' total revenues after the merger, that share is decreasing. "It is now at 60 percent and eventually it will be less than 50 percent," the spokesman said.

The remaining GM contracts will involve research and special projects that are difficult to put under long-term contracts, said the spokesman.

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Bullish Big 3 raise schedules for 2nd quarter

By Kathy Barbaglia and Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTERS

Stronger-than-expected sales and reasonable inventory levels have prompted Detroit's Big 3 to add 237,855 cars to their second-quarter production schedules.

The increase is expected to boost second-quarter production to 2,044,792 units, up 5.93 percent from the 1,930,389 cars built in the second quarter of 1987.

In addition, both Ford Motor Co. and Chrysler Motors announced last week that they will increase their production schedules for the remainder of the year.

General Motors added 142,859 to its original second-quarter forecast, made in March, bringing its anticipated quarterly total to 974,206, fractionally higher than the 965,890 built in 1987.

Ford Motor Co. now plans to build 49,000 more cars than it originally scheduled. Output is expected to reach 523,000 cars, 7.00 percent more than the 488,803 built in the same period last year.

UPDATED SECOND QUARTER AUTO PRODUCTION
1988 forecast vs. 1987 actual

	1988	1987	% change
GM	974,206	965,890	+0.86
Ford	523,000	488,803	+7.00
Chrysler	332,000	287,903	+15.32
Honda	95,740	83,623	+14.50
NUMMI	40,300	50,068	−19.54
Nissan	32,086	33,258	−1.12
VW	15,200	20,824	−27.00
Mazda	31,480	—	—
Industry	2,044,792	1,930,389	+5.93

Ford also plans to boost its third-quarter car and truck production. It has slated 790,000 units, 32,000 more than the April 1 estimate of 758,000.

Chrysler's revised production schedule calls for the company to build 46,000 more cars than it had originally scheduled for the second quarter. Chrysler projects it will build 332,000 cars in the period, up 15.32 percent from the 287,903 units it produced in the second quarter of 1987.

In the second half of the year, Chrysler plans to produce 983,000 units in North America, up from a previously projected build of 873,000 units.

The increase includes 12,000 more Omni/Horizon America subcompacts, 57,000 more America K-cars and 23,000 more Fifth Avenues, Diplomats and Gran Furys.

Ford is boosting production to match the pace of its increasing market share, a spokesman said. Ford's share of the U.S. car market in the first quarter of 1988 was 21.80 percent, up from 20.00 percent in the 1987 period, and its truck share was 29.70 percent, up from 29.40 percent, he said.

The industry's car and truck sales during the first quarter of 1988 ran at an annualized rate of 16 million, well above Ford's original full-year estimate of 15 million.

David Healy, analyst with Drexel Burnham Lambert, said new-car orders indicate the current sales rate will be sustained and, in that light, production hikes don't appear to be a big risk.

Inventories of new cars from the Big 3 should remain reasonable through the second and third quarters, he said.

Detroit analyst Arvid Jouppi attributed the strong Big 3 sales and production rates to the weakness of the dollar against the yen, which helped the domestic makers against the Japanese. He also mentioned incentives and a strong market for lower-priced automobiles and trucks.

Mercedes loses bout to reduce 1984-1985 CAFE

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Mercedes-Benz of North America is considering an administrative challenge of NHTSA's decision not to lower corporate average fuel economy standards for the 1984 and 1985 model years.

Last week, the agency rejected Mercedes' petition, and a petition filed by General Motors for CAFE relief for the 1985 model year.

While GM officials were disappointed, their solution appears to hinge on changing the law.

Mercedes-Benz of North America was the first company to make the innovative appeal for retroactive relief for the 1984 and 1985 model years. GM followed, but only sought relief for the 1985 model year. Both automakers requested a CAFE level of 26 mpg or lower. The 1984 CAFE of 27.0 mpg was set by NHTSA; the 1985 CAFE of 27.5 mpg was set by Congress in the 1975 law.

"The CAFE law should have been reduced for 1985 to 26 mpg for the same reasons that DOT reduced it to that level for 1986, 1987 and 1988 — because the agency found that the 27.5 mpg standard exceeded the 'maximum feasible' level during that period," a GM spokesman said. "The negative effects of the law should be removed either by repeal or amendment, or by administrative action by DOT."

A Mercedes spokesman said the company is "reviewing the decision to see what — if any — further action might be appropriate."

Mercedes' request for the rollback came after NHTSA warned the company on May 4, 1987 that it had a shortfall of $5,509,400 for the 1985 model year.

NHTSA warned Mercedes that because of a Center for Auto Safety suit against the EPA over the CAFE adjustment number (created because EPA changed its 1975 test procedures that measure fuel economy), the exact amount might need to be refigured.

The center won in the lower court and the decision was upheld by a three-judge appellate panel. However, the matter — which involves an even more important issue of whether the center has standing to sue — still has not been settled because GM and other automakers as intervenors appealed to the full federal appeals court. Caught up in the standing to sue are numerous other CAFE cases.

Last August, Mercedes said it would not question the calculation of the 1985 civil penalty, but it would in a formal agency proceeding reserve the right to challenge assessment of any additional penalties because of the Center for Auto Safety suit against the EPA over the test-procedure-adjustment factor.

Mercedes said NHTSA's interpretation, based on what GM and Ford Motor Co. can achieve, is wrong because it fails to account for the rest of the industry, especially European and limited-line automakers that should be treated separately.

GM had been advised by NHTSA in May 1987 of its 1985 model year shortfall and its potential liability. But, unlike Mercedes, GM in June filed a three-year carryback plan that the agency approved in October.

That means GM's liability for CAFE civil penalties is zero. The penalty is $5 for each 0.1 mpg by which a company's fleet misses the standard, times the number of cars sold during the model year. While GM probably knew its 1988 sales would fall within the CAFE limits, it may well have petitioned NHTSA partly because Mercedes had done so. If the full appellate court for the District of Columbia circuit ruled against EPA in the CAFE adjustment case, GM would stand to gain.

NHTSA presented a lengthy explanation of its reasons for denying both companies any retroactive change in CAFE standards. It relied on the language of the law and its legislative intent, and its own reasoning for granting and denying rollbacks as well as references to litigation history.

Porsche, Jaguar paid $10 million in 1985 fines

WASHINGTON — The corporate average fuel economy standard of 27.5 mpg for the 1985 model year caused more turmoil for the auto companies than any other single year's standard, but only two auto companies have paid civil penalties.

Jaguar paid $8,799,010, and Porsche paid $1,253,580.

Mercedes-Benz owes $5,509,400 since NHTSA has denied its petition to roll back the 1985 standard to 26 mpg or less.

Companies that had faced possible civil penalties in the 1985 model year but have had them offset by either three-year carryforward or carryback plans include: BMW, $4,730,805; Ford domestic, $92,745,873; Ford imports, $1,503,625; General Motors domestic, $385,798,065; Peugeot, $2,397,405; Saab, $2,192,190; Volvo, $1,496,280.

In response to earlier petitions, NHTSA has rolled back CAFE standards for the 1986, 1987 and 1988 model years.

The 1989 CAFE standard automatically reverts to 27.5 mpg. But pending before NHTSA are a petition filed by the Automobile Importers of America to roll back the 1989 CAFE level to 26 mpg, and a petition filed by Mercedes-Benz of North America to roll it back to 22 mpg.

Lemon toll is $3 million in Mass.

By Helen Kahn
AUTOMOTIVE NEWS STAFF REPORTER

Unhappy car owners have won more than $3.2 million in arbitration cases against automakers in the 20 months the Massachusetts lemon law has been in effect.

The state's 1987 lemon law report also found that consumers are continuing to win almost two-thirds of the cases and that almost half the cases accepted for arbitration never reach a hearing because automakers have doubled their settlement offers.

Paula W. Gold, Massachusetts secretary of consumer affairs, said satisfying the customers early in the process is "exactly what the law envisioned" and "I can't think of better news to give consumers during National Consumers Week."

The state's Office of Consumer Affairs also produced a "lemon rating" for 1987. For the second year in a row, Yugo was fingered as the make with the highest rate of complaints — 19 times as many arbitration cases as its market share. Massachusetts said Yugo has 0.01 percent of the state's new-car sales but accounts for almost 2 percent of the arbitration cases.

The next four makes in the rating are: Alfa Romeo, Jaguar, AMC-Jeep-Renault and Peugeot.

Faring best in the state's lemon rating are Range Rover and Sterling with ratings of minus 100, meaning they had no cases accepted for arbitration.

The lemon rating shows the percentage of complaints accepted against a manufacturer compared to its market share. A company with a 20 percent market share might be expected to have 20 percent of the complaints. If, however, it had 30 percent of the complaints, it would have a lemon rating of plus 50. A 20 percent market share and 10 percent of the complaints would mean a lemon rating of minus 50.

Most-Troubled Cars

Manufacturer	Lemon Rating
1. Yugo	+1,825
2. Alfa Romeo	+1,315
3. Jaguar	+ 156
4. AMC/Jeep/Renault	+ 109
5. Peugeot	+ 101
6. General Motors	+ 60
7. Chrysler	– 2
8. Subaur	– 21
9. Porsche	– 23
10. Ford Motor Co.	– 28
11. Saab	– 32
12. Volvo	– 32
13. Mitsubishi	– 44
14. Volkswagen	– 46
15. Hyundai	– 45
16. Audi	– 49
17. Isuzu	– 54
18. Nissan	– 55
19. BMW	– 69
20. Mazda	– 70
21. Toyota	– 70
22. Suzuki	– 76
23. Mercedes Benz	– 78
24. Honda	– 89
25. Sterling	– 100
26. Range Rover	– 100

Gold noted the General Motors rating is "quite high" (plus 60) compared with that of Chrysler (minus 2) or of Ford (minus 28).

According to Gold, a high lemon rating means that either a company is producing more than its share of allegedly defective cars or is not settling as many cases before arbitration, or both.

The 1987 report from the state also shows that after being accepted for arbitration, GM settled 41 percent of its cases; Ford, 58 percent; and Chrysler, 74 percent.

During 1987, Massachusetts' arbitration program received 1,043 requests for arbitration — an increase of 15 percent over 1986 — and accepted 786 of them. Consumers won 64 percent of the cases; the automakers won 36 percent.

Only about 4 percent of the consumer victories were appealed by the manufacturers. Gold said Ford drastically reduced the number of cases it appealed from 40 percent in 1986 to 7 percent in 1987.

Massachusetts has one of the toughest of more then 40 state lemon laws. It mandates refund or replacement of new vehicles that remain substantially impaired in performance, value or safety after three repair attempts for the same defect or are out of service for 15 business days for any combination of defects.

Will Firestone ouster start trend?

By Edd Pritchard
and Charles M. Thomas
CRAIN NEWS SERVICE

General Motors' decision to drop Chicago-based Firestone Tire & Rubber as a supplier of tires for its cars and light trucks produced in North America has industry analysts predicting a major reshuffle over the next two years as tire makers realign themselves for carmakers' business.

A GM spokeswoman declined to give specific reasons for dropping Firestone, which supplies 20 percent of GM's tires, other than to say that the automaker thought it was no longer viable to operate with five tire suppliers. "It was a very difficult decision," she said.

The Firestone cutback is slated to begin in July and continue for two years.

Securities analysts who follow the tire industry believe Groupe Michelin will gain the most from Firestone's loss. Also benefiting will be Uniroyal Goodrich Tire Co., which might start pushing its Goodrich brands for original equipment use.

Goodyear and Continental A.G.'s General Tire subsidiary also will continue to supply GM.

Firestone, which is being acquired by Tokyo-based Bridgestone Corp., said GM accounts for roughly 20 percent of its North American tire production.

However, the tire maker's biggest customer is Ford Motor Co. at roughly 40 percent, say analysts. Firestone also has a foothold with several Japanese automakers including Nissan and Toyota.

The GM spokeswoman said the move to drop Firestone had no connection with the planned acquisition. She said Bridgestone will continue to supply the Japanese-built Chevrolet Sprint and Spectrum and GM's European models. Firestone also continues to be sole supplier of tires for Saturn cars, slated to go into production in 1990.

But some analysts in Japan speculated that the move was a negative reaction toward Japanese companies. One analyst wondered why GM didn't delay its decision until after the Bridgestone-Firestone takeover and give the Japanese tire maker a chance to make a counter-offer.

Another Japanese analyst, however, argued that price is the primary reason behind GM's decision, noting that Bridgestone is not known for reducing prices.

John J. Nevin, Firestone chairman and chief executive officer, said Firestone was surprised and disappointed by the GM decision. He said Firestone is very confident it can find other markets and that profits will not be affected.

Bridgestone has said the action will have no effect on the proposed acquisition. Ford said it has no plans to change its supplier relationship with Firestone.

GM said it has informed its other tire suppliers that it will increase their business, but "nothing has been finalized as to how much of an increase."

Industry analyst Donald F. DeScenza of New York-based Nomura Securities said France's Michelin could be the big winner in the shuffle.

"GM could decide that its four tire suppliers should have between 20 and 30 percent of its tire business, which would mean a big boost for Michelin that has only 4 percent now," he said.

DeScenza said production capacity at all of the tire makers is limited, so that they would have to reduce sales to other automakers to take on additional GM business. Firestone may pick up additional business at Chrysler if GM forces Goodyear to reduce its Chrysler business.

"In the end, everybody could have the same amount of business, just at different companies," he said.

DeScenza also suggested that as automakers bring suppliers into the design of future products earlier, the automakers will insist on protecting their secrecy.

"Would you want a company that supplies 40 percent of its tires to your arch-rival, Ford, and the Japanese, who have beaten you up so badly, in on your forward-product planning?" he asked.

Analyst Harry Millis of Cleveland-based McDonald & Co., agreed.

"GM must have felt uncomfortable developing specifications on products coming out three and four years down the road with a company that is so closely tied with the Japanese automakers," he said. "It's not the official reason, but it was on the back of someone's mind there."

He, too, said Michelin stands to make the biggest gain at GM, and that Firestone has been overweighted in the OEM market, causing it to shortchange the replacement market.

"It will relieve Firestone of the pressure to expand and build a plant," he said.

Feast appointed editor of AutoWeek

DETROIT — Veteran auto journalist Richard Feast has been named editor of AutoWeek, the only U.S. consumer automotive newsweekly.

Feast, until recently international editor at Automotive News, is former editor of Autosport, the British motorsports weekly, and What Car?, the largest automotive consumer magazine in England. He also served seven years as European editor in London for Automotive News.

AutoWeek and Automotive News are published by Crain Communications. AutoWeek has the largest circulation of any of the 25 publications in the Crain group.

AutoWeek publisher Leon Mandel said, "I'm delighted and AutoWeek is fortunate to have an editor of international reputation and wide experience."

Feast replaces George Levy, who resigned last week to pursue personal interests after a four-year tenure as editor of AutoWeek.